

## Press Release

### Kapsch TrafficCom – Final earnings for the first quarter of 2019/20.

#### Highlights.

- > Year-on-year revenue growth (+18%) up to EUR 186 million.
- > EBIT fell to EUR 4.6 million (previous year: EUR 7.1 million).
- > Outlook for 2019/20 confirmed: Revenues and EBIT (excluding one-time effects) are both expected to go up by at least 5%.

“In the first quarter, we were able to continue positive revenue development. In EBIT, however, the seasonal nature was much more markedly pronounced than anticipated, which is why the figure was below that of the first quarter of the previous year. For the 2019/20 fiscal year, I am still optimistic that we will achieve the given guidance,” declares Georg Kapsch, CEO of Kapsch TrafficCom.

Unless otherwise stated, all values in EUR million			
	Q1 2018/19	Q1 2019/20	+/-
Revenues	158.2	186.2	+17.7%
EBIT	7.1	4.6	-36.0%
<i>EBIT margin</i>	4.5%	2.4%	-2.0%p
Profit for the period	2.5	2.2	-11.6%
Earnings per share (EUR)	0.21	0.19	-9.0%

**Vienna, August 20, 2019** – The final earnings for the first quarter of the 2019/20 fiscal year published today by Kapsch TrafficCom hardly deviate from the anticipated revenues and operating result (EBIT) announced on July 20, 2019.

In the first quarter of 2019/20, Kapsch TrafficCom was able to increase revenues to EUR 186.2 million (+17.7% compared to the first quarter of the previous year). The company was characterized by strong growth rates, especially in the Americas region (North, Central, and South America). EBIT reached EUR 4.6 million (-36.0%), corresponding to an EBIT margin of 2.4% (previous year: 4.5%). The main reasons for lower profitability are investments in further growth, namely in the form of

- > **Costs of material.** The implementation business underwent a very positive development in the first quarter of 2019/20. However, it required a relatively high material investment. The newly installed systems, particularly in the ETC segment, will have to be operated later on. This gives Kapsch TrafficCom potential for further revenue.
- > **Staff costs.** Since business in North America is growing rapidly, additional personnel need to follow in order to take full advantage of the available market potential. In the first quarter alone, the number of employees in the US went up by 50 people.

The greatly improved financial result of EUR -1.7 million (previous year: EUR -3.5 million) was mainly due to beneficial changes in exchange rates. The income tax expenses of EUR -0.4 million were also below those of the previous year (EUR -1.1 million). In this way, the company attained profit for the period in the amount of EUR 2.2 million (previous year: EUR 2.5 million) and earnings per share of EUR 0.19 (previous year: EUR 0.21).

### Segment results.

In the first quarter of 2019/20, 79.0% of revenues were attributed to the “Electronic Toll Collection” (ETC) segment and 21.0% to the “Intelligent Mobility Solutions” (IMS) segment. 61.6% of revenues were generated in the Europe, Middle East, and Africa (EMEA) region, 34.3% in the Americas region (North, Central, and South America), and 4.1% in the Asia-Pacific (APAC) region.

<b>ETC (ElectronicToll Collection).</b>			
Unless otherwise stated, all values in EUR million	Q1 2018/19	Q1 2019/20	+/-
Revenues	119.6	147.0	+23.0%
EBIT	7.0	7.6	+9.3%
<i>EBIT margin</i>	5.8%	5.2%	-0.6%p

Kapsch TrafficCom raised its revenues in the ETC segment to EUR 147.0 million in the first quarter of 2019/20. This is an increase of 23.0% compared to the comparative period of the previous year.

ETC EBIT were at EUR 7.6 million and thus EUR 9.3% above the figure of the previous year. The EBIT margin reached 5.2% (previous year: 5.8%). Kapsch TrafficCom sold 3.3 million on-board units in the first quarter of 2019/20 (+0.9%).

<b>IMS (Intelligent Mobility Solutions).</b>			
Unless otherwise stated, all values in EUR million	Q1 2018/19	Q1 2019/20	+/-
Revenues	38.7	39.1	+1.2%
EBIT	0.1	-3.1	<i>n.m.</i>
<i>EBIT margin</i>	0.3%	-7.9%	-8.2%p

In the first quarter of 2019/20, segment revenues reached EUR 39.1 million (+1.2%). IMS EBIT were at EUR -3.1 million and thus below the figure of the previous year (EUR 0.1 million).

### Free cash flow and balance sheet.

At EUR -4.6 million, free cash flow was much better in the first quarter of 2019/20 than in the comparative period of the previous year (EUR -15.1 million). The main reason for the positive development was the reduced – albeit continued – increase in working capital.

One major change starting in the 2019/20 fiscal year is the initial application of the standard IFRS 16 “Leases”, which specifies the recognition, measurement, presentation as well as disclosure requirements with regard to leases in financial statements. Rights of use arising from leasing agreements are capitalized

(tangible assets), and lease liabilities are shown separately on the liabilities side of the balance sheet. This changed reporting of leases significantly increased the balance sheet total and net debt as of April 1, 2019, lowering the equity ratio.

As of June 30, 2019, net debt was therefore EUR 133.4 million. Without the new application of IFRS 16, it would be EUR 81.7 million (March 31, 2019: EUR 73.5 million). The equity ratio on June 30, 2019, was still very strong despite the IFRS 16 effect: 36.3% (March 31, 2019: 38.2%). The balance sheet total went up to EUR 715.9 million. (March 31, 2019: EUR 677.7 million).

The highlights report of the first quarter 2019/20 will be available at <http://kapsch.net/ktc/ir> from today at 7:35 am (CEST).

**Kapsch TrafficCom** is a provider of intelligent transportation systems in the fields of tolling, traffic management, smart urban mobility, traffic safety and security, and connected vehicles. As a one-stop solutions provider, Kapsch TrafficCom offers end-to-end solutions covering the entire value creation chain of its customers, from components and design to the implementation and operation of systems. The mobility solutions supplied by Kapsch TrafficCom help make road traffic safer and more reliable, efficient, and comfortable in urban areas and on highways while helping to reduce pollution.

Kapsch TrafficCom is an internationally renowned provider of intelligent transportation systems thanks to the many projects it has brought to successful fruition in more than 50 countries around the globe. As part of the Kapsch Group, Kapsch TrafficCom with headquarters in Vienna, has subsidiaries and branches in more than 30 countries. It has been listed in the Prime Market of the Vienna Stock Exchange since 2007 (ticker symbol: KTCG). Kapsch TrafficCom's about 5,000 employees generated revenues of EUR 738 million in fiscal year 2018/19.